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1972

**Cyprus
Telecommunications
Authority**

CYPRUS TELECOMMUNICATIONS AUTHORITY

**SEVENTEENTH ANNUAL REPORT
AND ACCOUNTS**

FOR THE YEAR ENDED

31st December, 1972.

[PRICE 50 mils]

CYPRUS TELECOMMUNICATIONS AUTHORITY

Head Office
Museum Street,
P.O.Box 1929,
NICOSIA.

Date: 7th September, 1973.

Your Excellency,

I have the honour to submit herewith the seventeenth Annual Report and Accounts of the Cyprus Telecommunications Authority for the year ended 31st December, 1972, together with a copy of the Auditor's Report.

The Report and Accounts are submitted in accordance with Section 22 of the Telecommunications Service Law, 1954 and the Amended Service Law of 1963, Section 3(2).

Yours faithfully,

N. S. ROUSSOS,

Chairman.

His Excellency,
The Minister of Communications
and Works,
Mr. Y. Zambarloukkos,
Nicosia.

CYPRUS TELECOMMUNICATIONS AUTHORITY

Chairman : J. Cl. Christophides, of Gray's Inn
Barrister at Law up to 16th June, 1972.

N. S. Roussos, Civil Engineer,
Graduate of the Technical University of Athens
(Ethnicon Metsovion Polytechnion)
from 22nd June, 1972.

Vice-Chairman : S. Ioannou

Members : V. Demetriou B.Sc., (Eng.)

H. Horomian

P. G. Psaras Chemist Engineer, Graduate of the
Technical University of Athens
(Ethnicon Metsovion Polytechnion)

Dr. A. Papageorghiou M.A., PH.D. (Economics)

Legal Adviser : A. C. Hadjioannou, Degree in Law of Athens University
and Barrister-at-Law of Gray's Inn.

Auditors : Scottis & Polydorides, Chartered Accountants.

ADMINISTRATION

General Manager : A. N. Stylianides, B.Sc. M. A.S.M.E.

Secretary:

S. A. Kokkinides,
ACIS, AMBIM,
Social Science & Administration Cert.
L.S.E. (University of London).

Chief Accountant:

M. E. Christofides
FAIA, ACIS, AMBIM

Chief Engineer:

G. C. Papaioannou
B.Sc. (Eng.)
C. Eng. M.I.E.E.

Telecommunications
Officer:

E. Charalambous

Head Office : Electra House, 1, Museum Street, Nicosia.

Telephone : 77111

Branches:

NICOSIA	—	Egypt Avenue	Tel.	021-77111
LIMASSOL	—	4, Marcos Botsaris Street	Tel.	0516-2500
FAMAGUSTA	—	Edisson Street	Tel.	031-62500
LARNACA	—	7, Lord Byron Street	Tel.	0412-2279
PAPHOS	—	36, Adonis Street	Tel.	061-32148
KYRENIA	—	5A, 28th October Avenue	Tel.	081-52438
MORPHOU	—	18, 25th March Street	Tel.	071-42055
LEFKA	—	Lefka	Tel.	078-17459

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INTRODUCTION

The Authority has been established in accordance with Law 302 No. 67 of 1954 under the name of Cyprus Inland Telecommunications Authority and officially assumed responsibility for the inland telecommunications on 1st July, 1956 and as from 1st April, 1961, it took over from Cable and Wireless Ltd., all overseas telecommunication services and has since been known as the Cyprus Telecommunications Authority.

The Authority has the responsibility of providing, maintaining and developing a comprehensive telecommunications system for local and overseas services and it is answerable to the Council of Ministers, through the Minister of Communications and Works, whose powers over the activities of the Authority are regulated by the Amended Service Law 25 of 1963, Section 3.

During the year under review both inland and overseas services were considerably improved.

The second phase of the STD connecting all rural exchanges on the automatic system was completed, and every effort was made to meet as far as possible the public's demand for the provision of telephone service; to this effect a record number of 6,634 telephones, viz 5,488 in 1971, were installed during the year.

Alternative routes were established and additional channels were opened with overseas. The initial agreement for the connection of Cyprus with Greece by submarine cable was concluded and discussions were in progress at the end of the year with the relative administrations for submarine cable links between Cyprus-Syria and Cyprus-Lebanon.

All preparations were finalised for the placing of orders early in 1973 for an International Telephone Exchange and a new International Telex Exchange for automatic subscriber to subscriber dialling of overseas telephone and telex calls.

The Authority is undergoing a phase of great development and the necessary expenditure should be met by self financing. It is, therefore, inevitable that the tariffs in force are reviewed so that the requisite funds are ensured, otherwise the Authority's development will be humpered and it will not be possible to provide the public with an efficient and sufficient telecommunications service within the desired time.

During the year the Members of the Authority had 28 meetings.

FINANCIAL STATEMENTS FOR THE LAYMAN

How the Authority Operated During the Year 1972

		1971	
	£	£	£
The Income from the Authority's operation was	3,551,020	2,710,203	
Other income	22,518	65	
	<u>3,573,538</u>	<u>2,710,268</u>	
The Expenses were:-			
Total Salaries, allowances, etc. ..	2,012,114	1,746,162	
Less : Utilised for development 178,157		213,381	
Utilised for repayment works 16,503		15,370	
	<u>194,660</u>	<u>228,751</u>	
Administration, operating and maintenance salaries	1,817,454	1,517,411	
Administration Expenses	399,902	376,876	
Telephone services expenses	1,437,918	1,242,296	
Telegraph services expenses	342,291	294,190	
Telex services expenses	146,956	102,527	
Other services expenses	91,425	86,238	
Maintenance of Buildings, etc. ..	93,611	97,804	
Members' emoluments and expenses ..	2,663	2,525	
Interest on capital borrowings ..	186,966	175,759	
Interest to Suppliers	102,108	70,563	
Bank Interest	28,137	1,598	
Provision for doubtful debts ..	16,351	7,707	
Scrap & obsolete stores and equipment	50,620	24,229	
Miscellaneous financial charges ..	9,408	7,972	
	<u>2,908,356</u>	<u>2,490,284</u>	
Resulting in a revenue balance for the year of	<u>665,182</u>	<u>219,984</u>	

FINANCIAL STATEMENTS FOR THE LAYMAN

What was the Authority's Position at the End of the Year

	£	£	1971 £
HOW THE AUTHORITY WAS FINANCED			
Borrowings from Government		3,297,477	3,319,452
Debenture Stocks		1,250,000	1,250,000
Surpluses from past years' operations		1,736,913	1,510,105
Surplus from this year's operation		665,182	219,984
Total Financing		6,949,572	6,299,541
WHAT THE AUTHORITY OWNED			
Land, Buildings, Plant & Machinery on 1.1.72	9,421,670		8,097,750
Spent for development in the year	1,811,700		1,456,296
Less: Installation Fees recovered	119,025		66,021
	1,692,675		1,390,275
	11,114,345		9,488,025
Less: Disposals	174,682		66,355
Total: 31.12.72	10,939,663		9,421,670
Set aside over past years and this year to meet wearing out of the equipment	3,299,492		2,951,671
		7,640,171	6,469,999
Debenture Redemption Investments		40,654	—
Materials in Stores		1,185,228	996,312
Money owed to the Authority by Subscribers and debit balances		1,448,564	1,226,128
Cash in hand and at bank (Current account)		4,002	12,966
So altogether the Authority's belongings were		10,318,619	8,705,405
WHAT THE AUTHORITY OWED			
To various suppliers for equipment and services	986,512		820,182
To various suppliers for equipment and services (long term)	1,184,836		914,459
To Bank (Overdraft)	648,205		281,484
To subscribers for deposits and other credit balances	461,472		301,356
To Government for interest on borrowings	88,022		88,383
		3,369,047	2,405,864
The difference between WHAT THE AUTHORITY OWNED and WHAT THE AUTHORITY OWED was the Authority's Net Total Assets			
		6,949,572	6,299,541
The difference between the net total assets of and the debentures and borrowings from Government of was the Authority's net property at the end of the year			
		6,949,572	6,299,541
		4,547,477	4,569,452
		2,402,095	1,730,089

3. TECHNICAL SERVICES

A. GENERAL

Optimization of use of the Authority's facilities necessitates above all the improvement of the services rendered, by providing adequate and modern equipment to meet the ever increasing needs of the public and maintain the system to a high standard of efficiency.

The technical services of the Authority with their new organization are playing an important role in achieving the Authority's abovementioned objectives.

B. CONSTRUCTION

The Authority continued its policy in entrusting the execution of certain projects to outside contractors.

These projects included the digging of holes for the erection of telephone poles, the excavation of trenches for the laying of cables and ducts and the construction of manholes.

All other works were carried out by the Authority's Construction Personnel.

The various projects executed during the year under review are detailed below:-

I. Telephone Exchanges

(a) *Nicosia, Acropolis Satellite Exchange*

The installation of 200 lines with ancillary equipment was completed.

(b) *Nicosia, Pallouriotissa Satellite Exchange*

The installation of 1400 lines extension was completed.

(c) *Limassol Exchange*

The installation of 600 lines was completed.

(d) *Kyrenia Exchange*

The recovery of 600 lines was completed.

(e) *Larnaca Exchange*

The installation of 600 lines was completed.

(f) *Paphos Exchange*

The recovery of 600 lines was completed.

(g) *Crossbar Exchange Equipment*

The installation work for the following projects has been put in hand,

- (i) *Nicosia* — 3000 lines extension.
- (ii) *Famagusta* — 3000 lines extension with junctions.
- (iii) *Limassol* — 7000 lines extension with junctions.

(h) *Rural Exchanges*

- (i) The capacity of the following Rural Exchanges was increased as shown below:-

Name of Exchange	Increased by	CAPACITY	
		31.12.71	31.12.72
<i>Kythrea</i>	50	50	100
<i>Paramali</i>	100	150	250
<i>Agros</i>	50	50	100
<i>Xeros</i>	50	50	100
<i>Dhettiera</i>	50	50	100
<i>Platres</i>	100	150	250

- (ii) The work for installation of new rural exchanges to replace the old ones was completed at the exchanges shown below:-

<i>Skarinou</i>	—	100	lines	capacity
<i>Rizokarpasso</i>	—	50	"	"
<i>Timi</i>	—	50	"	"
<i>Klirou</i>	—	50	"	"
<i>Athienou</i>	—	100	"	"
<i>Moni</i>	—	50	"	"
<i>Yialousa</i>	—	100	"	"
<i>Lyssi</i>	—	100	"	"

- (iii) The following rural exchanges were closed down and the relevant equipment recovered.

<i>Lefkara</i>	—	Subs connected on Skarinou Exchange	
<i>Kouklia</i>	—	" " " "	—
<i>Kouklia</i>	—	" " " Timi	"
<i>Nata</i>	—	" " " "	"
<i>Troodos</i>	—	" " " Platres	"
<i>Perapedhi</i>	—	" " " "	"

(iv) *S.T.D. Equipment*

The installation of S.T.D. equipment was completed at the following rural exchanges, which have, as a consequence, been connected to the S.T.D. Network:-

Kythrea	Skarinou	Peristerona	Paramali
Trikomo	Agros	Rizokarpasso	Lefka
Timi	Xeros	Klirou	Athienou
Moni	Deftera	Yialousa	Lyssi
Myrtou	Platres	Pedhoulas	

Note: Appendix 'A', Map of Cyprus, gives full details of Exchanges and relevant code numbers.

(v) *Subscribers Private Exchanges*

During the year under review, 29 private Automatic Branch Exchanges were installed at various business establishments all over Cyprus.

The capacity in lines of the various Main and Rural and Private Exchanges at the end of 1972, is shown in the table below:-

Type of Equipment	No.	Capacity
Zone Main Auto Telephone Exchanges	7	33600
Towns Satellite Exchanges	3	11000
Rural Exchanges	29	3480
Mobile Exchanges	1	100
	40	48180
Private Auto Exchanges	109	6850
Private Manual Branch Exchanges	997	13369

II. Telex Service

During the year under review additional relay sets and other ancillary equipment were installed for 200 lines extension.

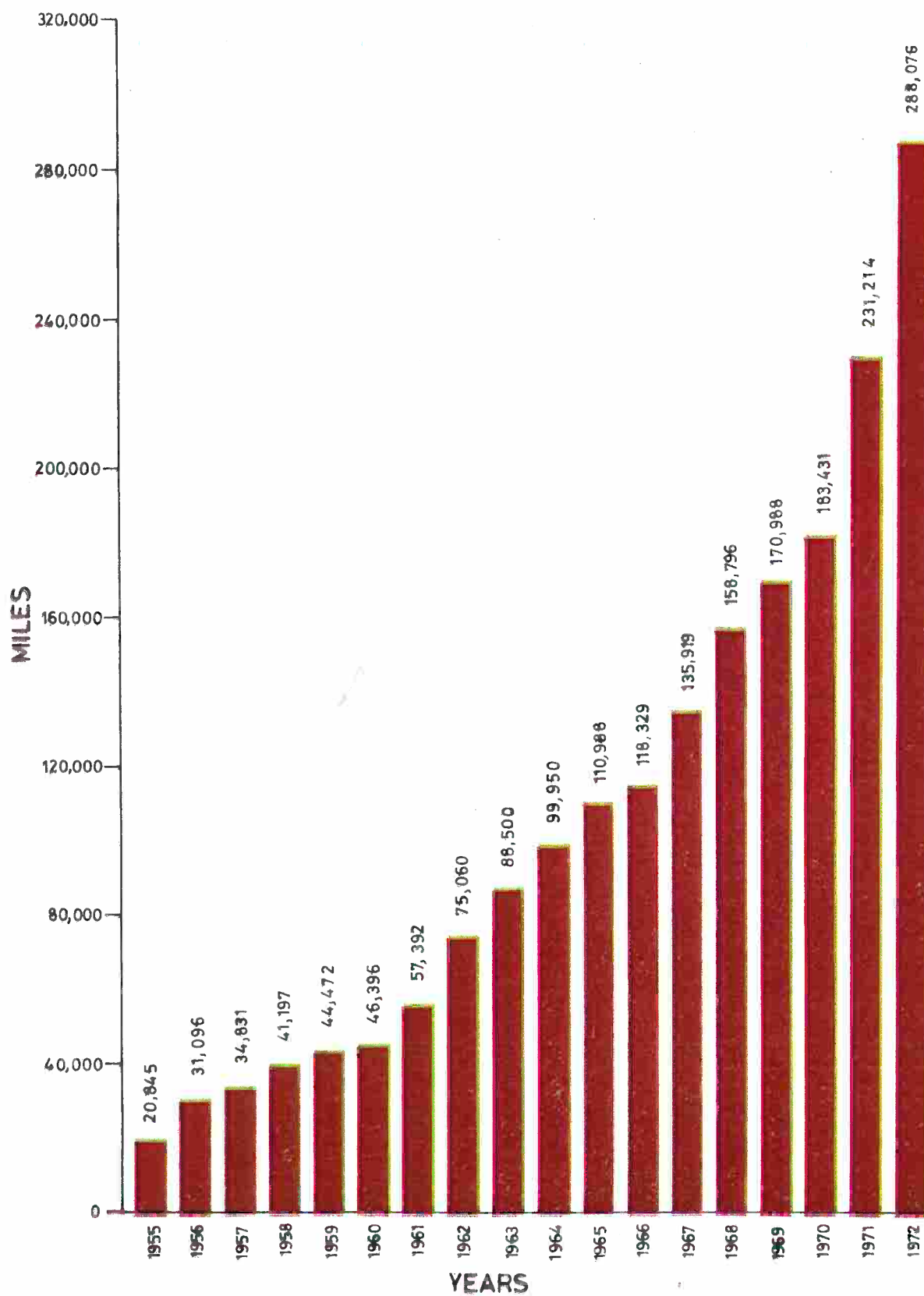
III. Line Plant

Construction for the provision of underground and overhead lines was carried out during 1972, as shown in the following Graphs 'A' and 'B' respectively.

Underground Line Distribution

Item	Unit	1970	1971	1972
Manholes Constructed	No.	130	83	142
Duct Lines laid	Miles	54.09	32.43	53.64
Cables laid down	"	68.17	173	126.83
Above Cables in single wire	"	12443	47783	56569

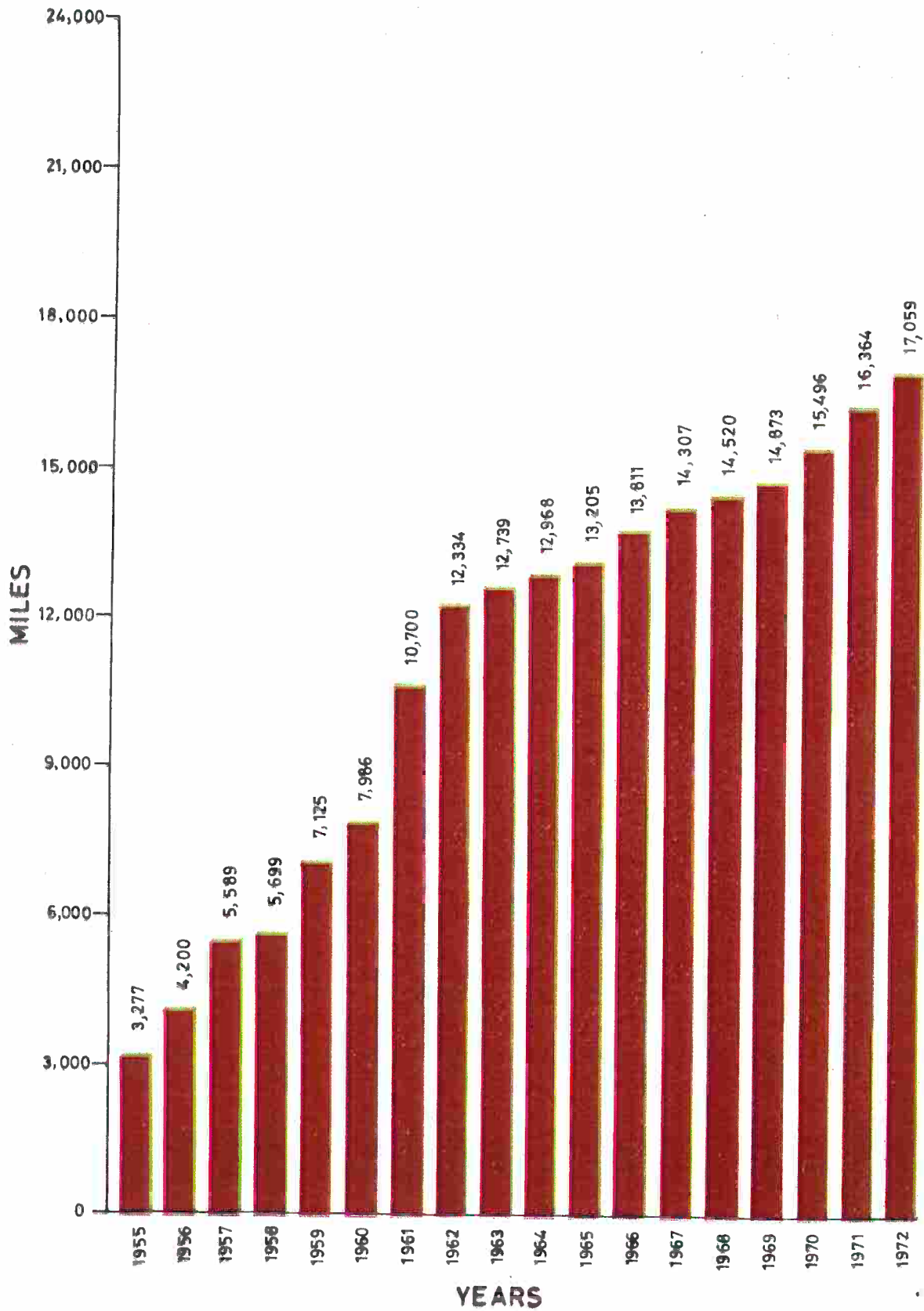
GRAPH 'A' UNDERGROUND CABLES SINGLE WIRE LAID



Overhead Line Distribution

Item	Unit	1970	1971	1972
Pole routes installed	Miles	87	58	29
Single wire installed	"	623	868	695
Pole Routes Overhead	"	125	90	163
Single Wire O/Head	"	2124	1190	1163

GRAPH 'B' OVERHEAD SINGLE WIRE MILEAGE INSTALLED



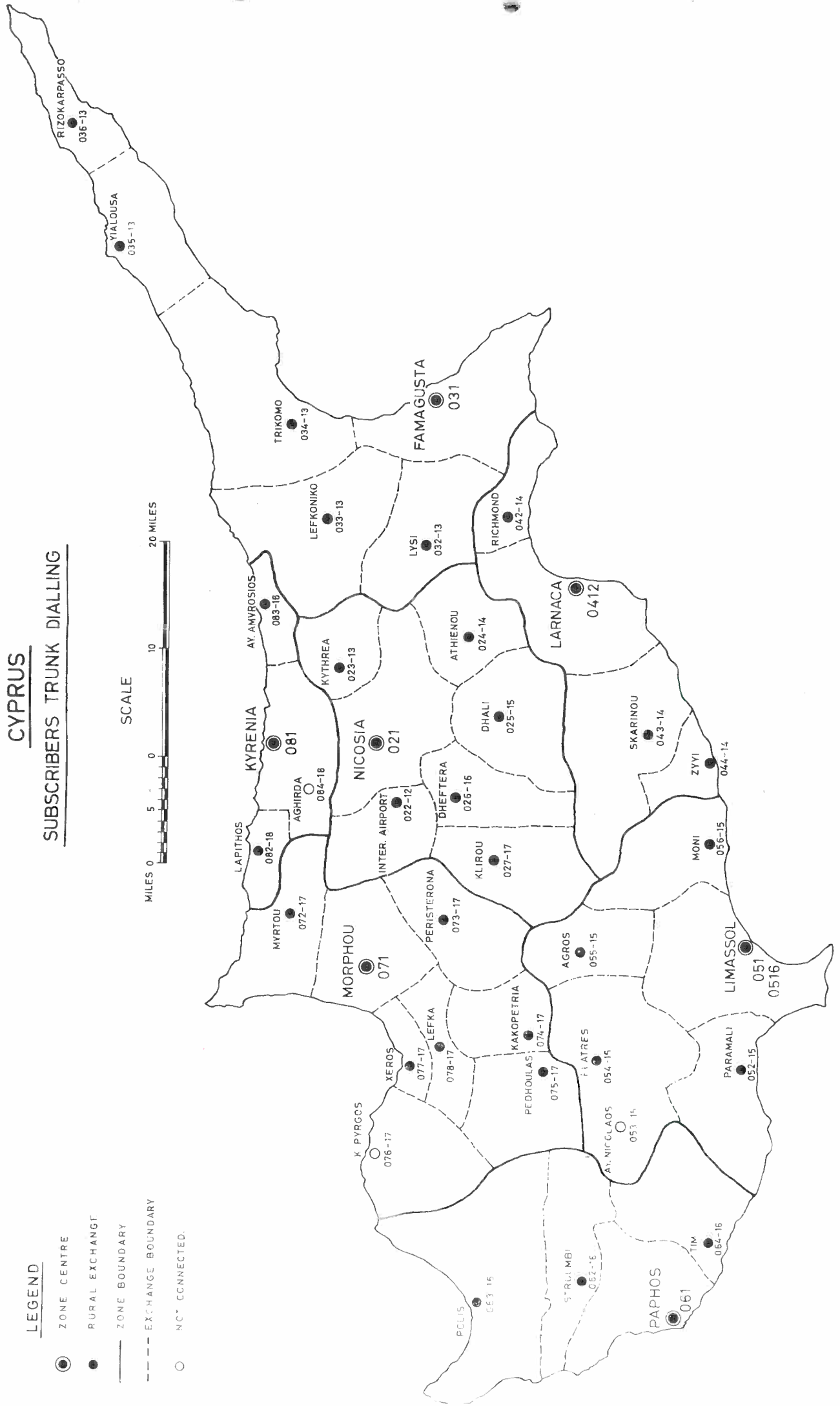
CYPRUS

SUBSCRIBERS TRUNK DIALLING

LEGEND

- ZONE CENTRE
- RURAL EXCHANGE
- ZONE BOUNDARY
- EXCHANGE BOUNDARY
- NOT CONNECTED

SCALE



IV. Communal Installations

During the year under review, the undermentioned villages were provided with communal telephone facilities.

Village	District	Exchange
Vassili	Famagusta	Yialousa
Lemythou	Limassol	Pedhoulas
Ay. Demetrios	Limassol	Pedhoulas
Pano Amiandos	Limassol	Platres
Kato Amiandos	Limassol	Platres
Kornos	Larnaca	Skarinou
Khoulou	Paphos	Paphos
Lemona	Paphos	Paphos

Also the following communal call offices which have been disconnected since 1963 were reconnected and normal service established.

Village	District	Exchange
Kato Koutrafas	Nicosia	Morphou
Galini	Nicosia	Xeros
Varisha	Nicosia	Xeros
Loutros	Nicosia	Xeros
Pano Pakhna	Limassol	Platres
Kato Pakhna	Limassol	Platres
Prastio	Limassol	Platres
Anoyira	Limassol	Platres
Potamiou	Limassol	Platres
Malia	Limassol	Platres
Arsos	Limassol	Platres
Arminou	Paphos	Platres
Philousa	Paphos	Platres
Kedhares	Paphos	Platres
Pretori	Paphos	Platres
Messana	Paphos	Platres
Salamiou	Paphos	Platres
Nicoclia	Paphos	Timi
Mamonia	Paphos	Timi
Arsos	Larnaca	Lyssi

The total number of village Call Offices connected as at the end of 1972 was 449. In addition, there were 174 public telephone kiosks and 34 private subscribers telephone kiosks operating throughout the island as at the end of 1972.

V. Subscribers Telephone Installations

Every effort was again made to satisfy as many new applicants as possible. The figure for new telephone lines installed during the year is considered to be the highest ever to have been achieved.

The growth in Direct Exchange Lines is shown in Graph 'C'.

It will be noticed, however, that despite the high figure of new telephone lines, the demand is still great and as a result the Waiting List figure at the end of 1972 is comparatively higher than that of 1971.

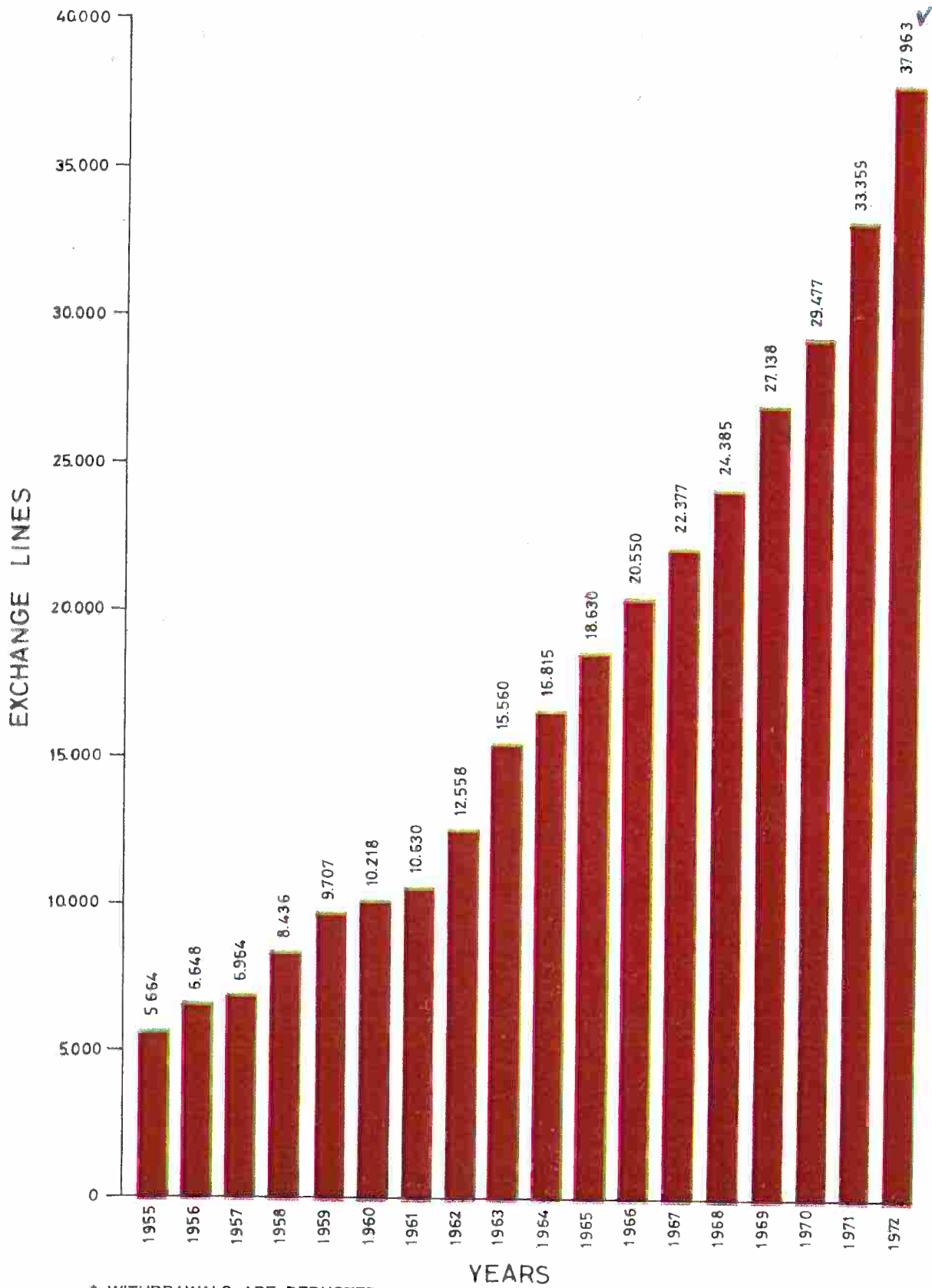
The demand for telephone service during the last three years is shown in the following comparative table:-

	1970	1971	1972
(a) Applications in hand as at 1st of January	4156	5689	6568
(b) New applications received during the year	5658	6984	7971
(c) Applications for new DEL's released during the year	3821	5565	6533
(d) Applications cancelled during the year	304	540	786
Balance of the W/L as at the end of the year.	5689	6568	7220

Furthermore, 2177 telephone instruments in comparison to 1855 in 1971, were connected as extensions on Private Exchanges, Switchboards and parallel telephones.

The Authority has, as in previous years, continued to provide prompt and efficient service to the Government, the National Guard, the United Nations Force in Cyprus and the U.K. Sovereign Base Areas.

GRAPH 'C' GROWTH OF DIRECT EXCHANGE LINES



During the year under review, the following Works Orders were executed at various zones for telephone installations and associated works:-

	1970	1971	1972
(a) Nicosia (covering Kyrenia and Morphou)	5791	7749	8711
(b) Limassol (covering Paphos and Platres)	2450	3259	3302
(c) Famagusta	1960	2063	2094
(d) Larnaca	804	974	947
Total	11005	14045	15054

VI. Radio and Transmission Equipment

The installation of the second stage of Multiplex Equipment for the increase of S.T.D. trunk lines for all main and rural centres, was completed and commissioned during 1972.

After modifications to the existing and the installation of new equipment, the capacity of the Tropospheric Scatter Station at Kili was increased from 60 to 120 channels.

VII. Standby Generating Sets

Standby generating sets were installed in all Radio Stations, Main and Rural Exchanges for providing uninterrupted telephone service. Most of the sets were new and equipped with fully protected automatic start-stop cubicles.

VIII. Buildings

During the year under review, the work of the extension to the buildings of Famagusta and Limassol were completed; in addition, Larnaca new building and the new Timi Rural Building were completed.

IX. Air Conditioning

Air conditioning equipment was installed at the buildings of,
 Famagusta (old and new buildings)
 Larnaca (new building)
 Limassol (old and new buildings)
 and will be put into service in 1973.

C. PLANNING AND DEVELOPMENT

During the year under review new plans were prepared for additional development projects to meet the expansion of the services rendered by the

Authority becoming necessary by the steadily increasing demand of such services by the general public.

I. National Communications Network

Plans have been prepared for the provision of additional trunk circuits between Zone Centres and Dependent Exchanges.

II. Zone Telephone Exchanges

The following table shows the planned increase in capacity of the Zone Telephone Exchanges:-

Exchange	Existing Lines in 1972	Under Installation	To be Ordered in 1973	Planned Total number of lines	Remarks
Nicosia	24400	3000	5000	32400 (35400)	See notes
Limassol	7600	7000	3000	17600 (14600)	1 and 2
Famagusta	6000	3000	—	9000	
Larnaca	2400	2000	—	4400	
Paphos	1400	—	1600	3000	
Morphou	1400	—	1600	3000	
Kyrenia	1400	—	1600	3000	
Total	44600	15000	12800	72400	

Note 1: Includes Pallouriotissa and Acropolis Satellite Exchanges.

Note 2: Limassol Satellite will be dismantled and 3000 lines will be transferred to Nicosia. The planned total capacity of Limassol will therefore be 14600 lines (i.e. a net increase of 7000 lines) and that of Nicosia 35400 lines.

III. Rural Exchanges

Plans call for the redeployment of two crossbar exchanges at Lapithos and Platres each with a capacity of 1200 lines. The necessary additional equipment will be placed on order during 1973.

On completion of this work eleven 50-line units will be thrown spare for re-deployment at various dependent exchanges.

Plans have also been prepared for the expansion of the undermentioned dependent exchanges during 1973:-

Deftera, Lyssi, Lefkonico, and Kythrea.

IV. Line Plant Development

(a) *Urban Development*

Plans have been prepared to expand further the underground and overhead network in the towns of Nicosia, Limassol, Famagusta and Larnaca.

(b) *Rural Development*

The completed plans mainly call for the installation of telephone call offices at Moniatis, Louvaras, Steni, Trypimeni, Phlamoudhi, Philousa (Khrysochou), Peristerona, Elea, Ayia Marina (Xyliatou), Agridhaki and Peristeronari villages, as well as for the expansion of the underground and overhead network in Polis.

V. Telex Service

Plans for the introduction of a fully automatic (outgoing) service, including expansion in the number of subscribers, were completed and it is estimated that the relevant order will be placed early in 1973.

VI. International Telephone Subscriber's Dialling (I.S.D.)

Technical specifications for an international telephone exchange are being prepared and it is expected that the relevant order will be placed early 1973.

VII. Improvement and/or expansion of International Links

In order to cater for the projected increase in traffic and pending the introduction of International Subscriber's Dialling (I.S.D.) facilities, the Authority, in co-operation with the Administrations concerned considered plans to increase the number of circuits.

The planned increase is shown below:-

Country	Number of Circuits	
	1972	1973
Greece	17	30
United Kingdom	10	20
Lebanon	2	7
Israel	2	6
F. R. Germany	1	1
Italy	2	2
USA	1	1
Turkey	1	1

VIII. Submarine Cable Schemes

Plans for the introduction of co-axial submarine cable links between Cyprus-Greece, Cyprus-Lebanon and Cyprus-Syria were prepared.

The relevant discussions with the Greek Administration were finalised and it is expected to award the contract for the laying of a 480 4-kHz channels co-axial submarine cable link early in 1973.

Discussions with the Lebanese and Syrian Administrations are still continuing.

D. GENERAL TELECOMMUNICATION FACILITIES

I. Broadcasts (local)

The Authority's services and plant were made available to the Broadcasting Corporations for effecting outside local broadcasts (alive programmes) from any point in Cyprus.

Such broadcasts include Church Services, Theatrical Performances, Fairs, Christmas Celebrations, Football Matches, Voice Casts, etc..

During 1972, 130 outside broadcasts were effected through the Authority's network as against 145 realised in 1971.

II. Overseas Voicecasts

Voicecasts to and from overseas countries covered such events as press reports, international football matches, music festivals and music programmes relayed for the British Forces Broadcasting Service.

Comparative figures of voicecasts effected during the past three years are as follows:-

	1970	1971	1972
(a) Number of Voicecasts	133	57	99
(b) Number of Minutes	4262	2987	3029

III. Ship-to-Shore Radio Service (MARITIME MOBILE SERVICE)

The Authority operates a Coast Station providing radiotelephone and radio telegraph contact with ships at sea. The continuously increasing volume of traffic through this Coast Station is due to the erection of an improved transmitting aerial, the installation of a new set of receivers and a more powerful H.F. transmitter.

Comparative figures of the traffic effected during the past 3 years are as follows:

	1970	1971	1972
Telephony			
(a) Calls	2,815	4,585	6,804
(b) Minutes	10,154	16,911	24,272
Telegraphy			
(a) Telegrams	4,578	5,223	5,440
(b) Words	71,535	82,000	91,425
Number of Radio Medical advices			5

Reduced rates for radiotelegrams from ships at sea to destinations for the undermentioned European countries belonging to the C.E.P.T. (Conference Europeene des Posts et Elecommunications) have been introduced with effect from 1st January 1972.

AUSTRIA, BELGIUM, DENMARK, FRANCE, FINLAND, F. R. GERMANY, GREAT BRITAIN, HOLLAND, ICELAND, IRELAND, ITALY, LIECHTENSTEIN, LUXEMBOURG, MONACO, NORWAY, PORTUGAL, SAINT MARIN, SPAIN, SWEDEN, SWITZERLAND, TURKEY, VATICAN AND YUGOSLAVIA.

IV. Fascimile (Radio Pictures)

There was some increase in the number of pictures handled this year, which were mainly with the United Kingdom.

The following table shows comparative figures of pictures handled over the past three years:-

	1970	1971	1972
(a) Received	52	94	106
(b) Forwarded	158	87	110

V. Automatic Message Switching Centre.

The computerised Automatic Message Switching Centre, which was introduced in 1970, continued to function satisfactorily with a reduction in processing and transmission times, for the inland and overseas public telegraph traffic as well as traffic exchanged between civil airports in Europe and the Middle East with the Aeronautical Fixed Telecommunications Network. The number of duplex channels operated through the Automatic Message Switching Centre are 23 out of which 12 are used for Public Telegraphy and the remaining 11 for the Department of Civil Aviation (AFTN).

The following Countries are directly connected to the Centre:-

Public Telegraphy

U.K.
Greece
Lebanon
Israel
Sweden
Canada

Civil Aviation

Greece
Turkey
Lebanon
Israel

VI. Civil Aviation Signals

The Authority continued to provide technical and operational service to the Department of Civil Aviation for the running of all telecommunication facilities of the Nicosia International Airport with the exception of those for the Control Tower and the Meteorological Office, which is the responsibility of the Government. These facilities conform to the standards and Recommended Practices as Laid down by the International Civil Aviation Organization (I.C.A.O.).

These services comprise radiotelephone communication with aircraft in flight within the Cyprus Flight Information Region, as well as telegraph and telephone communication with airports of the countries shown below:-

Athens	—	Greece
Ankara	—	Turkey
Beirut	—	Lebanon
Lod	—	Israel

In addition, direct radiotelephone communication with Cairo airport is provided.

Air Radio Navigation Aids are also provided for use by civil aircraft in the form of one V.H.F. Omni Range System (V.O.R.) and Distance Measuring Equipment (D.M.E.), and four non-directional Radio Beacons located in the Nicosia (two), Myrtou and Dhekelia areas.

Extensive ground levelling works were in progress at the airport by the Public Works Department in preparation for the installation of an Instrument Landing System (I.L.S.) which is programmed to be put into operation during the first half of 1973.

In the field of telegraph communication in the Aeronautical Fixed Telecommunications Network, Cyprus stands ahead of many countries in the Eastern part of Europe and the Middle East. This is mainly due to the speed and efficiency with which messages can be transferred from one airport to the other through the Nicosia Automatic Message Switching Centre. As a result traffic has been steadily increasing as may be seen from the following figures:-

- (a) 1970 38,866,060 groups transmitted and received
- (b) 1971 46,955,620 " " " "
- (c) 1972 69,082,310 " " " "

In general, the operation of the Nicosia fully Automatic Message Switching Centre has further improved the efficiency of Civil Aeronautical Telecommunications in the European-Mediterranean and Middle-East Regions and has enabled Cyprus, as the Relay Centre of the area, to assume its full responsibilities under the Aeronautical Fixed Telecommunications Network plan of the International Civil Aviation Organization.

E. MAINTENANCE

I. Routine and Preventive Maintenance

(a) General Maintenance

The Maintenance Services of the Authority showed a marked improvement over last year; this is evidenced from the following table which gives an analysis of faults for the three major categories of telephone circuits:

Category	Percentage of Faults per Circuit per Year	
	1971	1972
Town Subscribers	0.81	0.65
Rural Subscribers	2.5	2.0
Rural Call Offices	10.0	6.9

Every effort was made during this year also to render a prompt and efficient service to the subscribers with the minimum possible inconvenience and delay.

(b) Preventive Maintenance

The recommendations of the British Post Office have been adopted by the Authority for the majority of its plant and those of the Japanese Post Office (N.T.T.P.C.) for Crossbar Exchange Equipment.

Routine testing of all plant was carried out systematically during the year under review, to ensure smooth and efficient operation of the system.

II. Workshops

The Authority continued to maintain its Engineering Workshops for the repairs of Switchboards, Teleprinters, Telephone Instruments, etc.. In addition, stock items such as Switchboards, Instrument Cords, Metal Frames, Cable Runways and similar items were constructed in the Workshops.

III. Transport

To meet the ever increasing demand for transport facilities the Authority purchased five (5) additional vehicles making a total of 129. These vehicles which are maintained in the Authority's garage are allocated to the various Sections of the Authority for providing transport facilities to all its Services.

The statistical data regarding the Authority's transport fleet is as follows:-

	1971	1972
(a) Miles run	1,079,845	1,068,78
(b) Petrol Consumption	61,633 gls	58,889 gls
(c) Oil Consumption	3,185 gls	3,623 gls
(d) Average costs per mile (excluding drivers emoluments)	35.72 mils	38.08 mils

4. TELEPHONE, TELEX AND TELEGRAPH OPERATING SERVICES.

I. GENERAL

The gradual conversion of all operating services into fully automatic continued and by the end of the year all Rural Exchanges with the exception of Agyrta, Pyrgos and Ay. Nicolaos, were connected on the Automatic System.

There was an unprecedented increase in telephone and telex traffic both inland and overseas, which is attributed to the quicker and better quality service offered to the public.

In spite of the substantial growth of the Telex Service only a slight decrease of 1,27% in the number of overseas telegrams was observed.

II. TELEPHONE OPERATING

(a) *Inland Telephone Service.*

By the end of the year the Subscribers Trunk Dialling was almost completed, the system worked most satisfactorily and the following traffic was effected.

	1971	1972
(i) Dial Calls (Local Trunk Calls)	71,005,287	135,368,987
(ii) Trunk Calls via operators	2,707,788	956,673

(b) *Overseas Radiotelephone Service.*

The following are some of the developments which contributed to the improvement and expansion of the service:-

The channels with Greece were increased from 14 to 17, twelve of which are functioning on the semi-automatic system, whereby the Nicosia overseas operator can dial a number in Greece automatically and vice versa.

The channels with United Kingdom were increased from 9 to 11, ten of which are relayed via Greece.

A new channel was opened with Frankfurt, West Germany, relayed via Greece.

The direct H.F. circuit with Egypt was withdrawn and service was provided via Italy and submarine cable on a 24 hour basis.

Similarly, a channel was established with the United States

of America, also relayed via Greece. In the past, traffic with both Germany and the U.S.A. had to be handled through the London overseas exchange.

The following chart shows comparative figures of the service provided with countries connected with Cyprus either by direct point-to-point circuits or relayed automatically via Greece. Connections to any other part of the world are made through these countries.

Country	Number of Channels			Hours of Operation per week		
	1970	1971	1972	1970	1971	1972
Greece	8	14	17	1344	2352	2856
U.K.	5	9	11	474	1169	1848
Italy	—	2	2	—	336	336
U.S.A.	—	—	1	—	—	168
W. Germany	—	—	1	—	—	168
Lebanon	2	2	2	336	336	336
Israel	2	2	2	336	336	336
Turkey	1	1	1	12	12	12
Syria	1	1	1	6	6	6

In the case of Turkey, in addition to the direct circuit shown above, connection may also be effected through Greece on a 24 hour basis.

The comparative increase in Overseas Traffic (main streams) is shown on Graph 'D'.

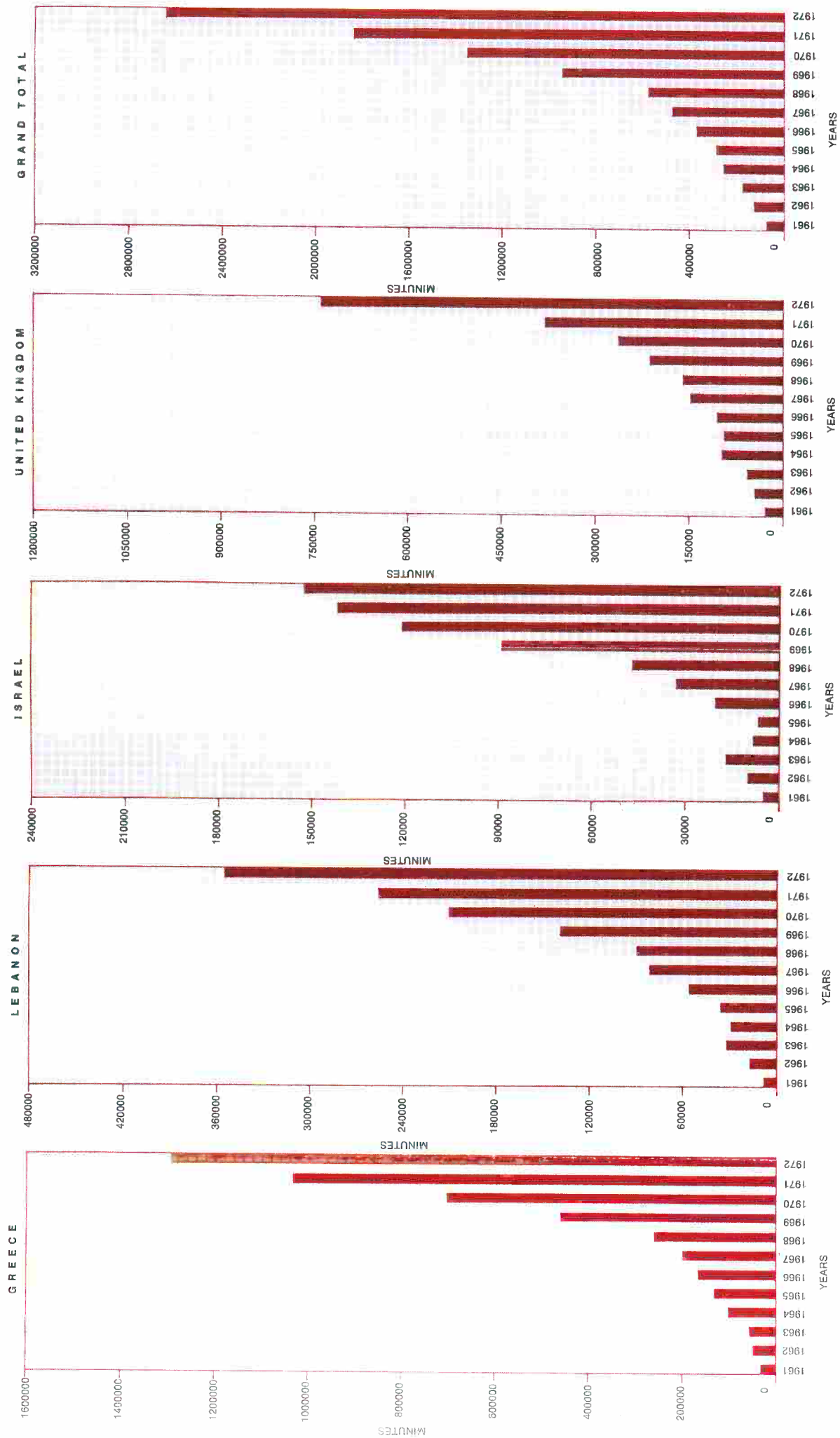
Radiotelephone Service.

As a result of several improvements carried out during the last decade, overseas telephone traffic shows a marked increase as indicated on the following graphs.

OVERSEAS TELEPHONE TRAFFIC

(MAIN STREAMS)

GRAPH "D"



The expansion of this service is such as to justify fully the Authority's decision to proceed the soonest possible with the introduction of the International Subscribers' Dialling.

(c) *Telephone Directory — Enquiries Service.*

A new Telephone Directory with both alphabetical and Classified Sections was issued and distributed to subscribers in November 1972. The Directory included all entries until the end of March. Arrangements were made for the issue and distribution of a new Telephone Directory annually.

As from November of the year under review, subscribers who apply to the Enquiries Service Telephone No. 192 for numbers of telephones appearing in the Telephone Directory are debited with a sum equivalent to a local call charge. For numbers which are not included in the Telephone Directory, subscribers may obtain free information by ringing Enquiries Service Telephone No. 191.

(d) *Annoying Telephone Calls.*

During the year 258 complaints for annoying calls were received, out of which 107 were detected and necessary action taken against the offenders.

III. TELEX

The demand for telex service continued to rise steadily and it was decided to expedite the Authority's plan for the expansion of the capacity of the telex exchange and its conversion into fully automatic.

The total number of telex subscribers by the end of 1972 was 452 and the traffic during the year as follows:—

		1970	1971	1972
(a) Outgoing	Calls	62,104	91,567	128,480
	Minutes	321,685	480,996	583,293
(b) Local Calls (30 Seconds Units)		543,013	1,051,788	1,077,930

IV. TELEGRAPH OPERATING

Reduced rates for telegrams originating in Cyprus to destination in the following European Countries belonging to the CEPT (Conference Europeenne des Postes et Telecommunications) were introduced with effect from 1st January 1972, Austria, Denmark, Finland, F.R. Germany, Italy, Luxemburg, Spain, Switzerland, Yugoslavia, Netherlands, Iceland, Norway, Sweden.

Information on telegraph work appears herebelow:-

	1970	1971	1972
(a) Overseas telegrams forwarded (incl. Cyprus radio)	142456	142792	140979

A decrease of 1.27% in 1972 over 1971.

	1970	1971	1972
(b) Inland telegrams forwarded	87422	100882	78897

A decrease of 21.8% in 1972 over 1971.

	1970	1971	1972
(c) Phototelegrams forwarded	158	84	100

An increase of 19% in 1972 over 1971.

5. ADMINISTRATION AND STAFF

I. TRADE UNIONS — STAFF RELATIONS AND JOINT COMMITTEES

During the year under review, the comprehensive study mentioned in the 1971 Annual Report, covering job evaluation, meritorious service allowance, schemes of service for all posts, the possibility of combined scales and the creation of new posts, efficiency and productivity, staff rules and regulations, and general conditions of employment were completed and submitted to the Unions.

The whole study and the Unions request for revision of salaries covered in detail all staff matters and the tremendous work, required for consultations, discussions and negotiations, kept constantly busy throughout the year the Major Standing and the adhoc Joint Committees, whose work resulted in the following:—

(a) *Salary and Wage Increases*

An agreement was signed for salary and wage increases of 16% (12% as from 1/1/72 and 4% as from 1/1/73).

(b) *Schemes of Service — New Grades and categories — Classification of staff*

An agreement was reached in principle for the new Schemes of Service, Grades and Categories and the staff was classified accordingly.

(c) *Advancement of Staff*

A new method of Staff Advancement was agreed upon and the adhoc Committee which was appointed as per the provisions of the revised staff Rules and Regulations completed its work most satisfactorily.

(d) *General Conditions of Employment — Efficiency and Productivity — Staff Rules and Regulations*

The consultations and negotiations on the above and generally on the whole study were still in progress by the end of the year and it is expected that a comprehensive agreement will be reached in 1973.

B. Subscribers Trunk Dialling — Redundancy

In order to meet the growing demand for trunk telephone traffic,

the Authority introduced the Subscriber's Trunk Dialling System (Automatic Service) as from 1971 and as a result of this a number of female telephone operators was declared redundant.

Having in mind the forthcoming redundancy, the Authority gave advance notice to this effect to the Unions and the staff as from 1965 and an agreement was signed with the Unions in 1966, for employing Telephone Operating staff on temporary basis until the introduction of the S.T.D.

Following the implementation of the first stage of the S.T.D. in October 1971, the whole matter of redundancy was raised and extensively discussed with the Union after which the Authority advised the Union that the services of the redundant staff would be terminated on 1/7/72; at the request of the Union, the whole matter was brought before his excellency the Minister of Labour. As a result the Authority postponed the dismissal of redundant staff until the 23rd Oct. 1972.

In view of the decision for the dismissal of the redundant female telephone operators there was a declaration of a 3 days strike on the 23rd October, 1972. At this point, the Ministry of Labour intervened and devised a formula which permitted the end of the strike and resumption of discussions with the Union under the Chairmanship of the Minister.

Discussions regarding this issue were still in progress by the end of the year and for reasons beyond the Authority's control redundant staff were still in service.

Except for the dispute mentioned above, satisfactory labour relations existed during the year and the Management/Union Joint Committees as well as the ad-hoc committees were very active. It is expected that a comprehensive agreement will be signed on the improved methods and conditions already mentioned, so that industrial peace and the maximum Management-Union cooperation is ensured in the interest of the service.

II. ESTABLISHMENT — PROMOTIONS — ADVANCEMENT OF THE STAFF

A Supplement to the 1971 establishment was issued in order to cover the requirements of the Service during the period of the discussions on the comprehensive study; and by the end of the year, the 1972/73 establishment was issued in the new form, designating the various Departments and Sections of the Authority and their services and the number of employees required in each grade and category as per the new Classification.

The classification of the Staff to the new grades and categories and its further advancement were completed through ad-hoc appointed joint Management/Staff committees.

Comparison of staff strength for the years 1971 & 1972

Comparison of staff strength for the years 1971 & 1972

	1971	1972
Administration and Accounts	271	259
Engineering	1007	1013
Telegraph Operating	135	135
Telephone Operating	273	267
	<hr/>	<hr/>
Total	1686	1674
	<hr/>	<hr/>
Monthly Paid	1404	1567
Weekly Paid	282	107
	<hr/>	<hr/>
	1686	1674
	<hr/>	<hr/>
Less		
Turkish employees not attending to duty		
(Out of 279 Turks only 20 attended to duty)	261	259
	<hr/>	<hr/>
	1425 ✓	1415 ✓
	<hr/>	<hr/>
	6*	4*

*Note: Average number of casual employees (Part-time charwomen).

III. RETIREMENTS, RESIGNATIONS, DISMISSALS ETC.

a. Retirements

7 employees retired from the Authority's service.

b. Resignations, Dismissals and Deaths

- (i) 10 employees resigned from the Authority's service.
- (ii) 2 employees were dismissed from the Authority's Service.
- (iii) 4 employees (two of whom Turks from those not reporting to duty) passed away.

c. Recruitments

Eleven employees (6 Engineers III, 3 W.P. (weekly paid) and 2 Watchmen on absolutely temporary basis) were recruited.

IV. JOINT CONSULTATION

The close and prompt attention of the Authority to all staff problems and the staff cooperation to this effect resulted in the functioning of the Joint Management/Staff Committees most satisfactorily as hereunder :-

1. Staff Safety and Welfare

(a) *Safety*

The Safety Committee continued its efforts during the year towards the prevention of accidents and to this effect the following action was taken :-

- (i) A safety campaign for the prevention of accidents was organised with speeches on safety at the various places of work by Management Representatives and Trade Union Leaders.
- (ii) The Authority's Offices and other places of work were regularly inspected by the Safety and Welfare Officer, who made suggestions for the prevention of accidents and elimination of accident hazards.
- (iii) The fire precautions equipment installed in the Authority's premises was replaced to a great extent by modern equipment.
- (iv) The Authority's booklet "Safety Rules and Regulations" was distributed to all staff for guidance and adherence and circular instructions were issued on subjects necessitating special attention for the prevention of accidents.
- (v) The delivery of First Aid lessons continued and another 29 employees were awarded the "St. John Ambulance Association" certificate on first aid, during 1972.
- (vi) The First Aid Boxes provided by the Authority were properly maintained with prescribed contents.
- (vii) Safety posters, safety news etc. were regularly exhibited at the Authority's "Safety Notice Boards".
- (viii) During the year under review 49 accidents were reported, which resulted in 396 days lost as sick-leave, compared with 46 accidents which resulted in 877 days lost as sick-leave during the previous year 1971.

- (ix) The accidents reported during the year were statistically analysed as hereunder:-

Causation groups	No. of Accid.	Percent on total number of Accid.
1. Handling and lifting gooes and material	11	22.45
2. Persons falling on same level	8	16.32
3. Persons falling from hights	7	14.29
4. Use of hand tools and machinery	6	12.24
5. Transport accidents	5	10.21
6. Falling objects	4	8.16
7. Stepping on or striking against	3	6.12
8. Other causes	5	10.21
	49	100%

- (x) Accidents reported during the year and comparison with the previous year:-

	1971	1972
Accidents which did not necessitate sick-leave	8	13(3)*
Accidents which necessitated 1-3 days sick-leave	7	7(1)*
Accidents which necessitated 4-30 days sick-leave	28(3)*	26
Accidents which necessitated over 30 days sick-leave	3(1)*	3(1)*
Fatal accidents	—	—
	46	49

.... One out of the 3 major accidents of the year under review, which necessitated sick-leave over 30 days, one out of the 7 accidents which necessitated 1-3 days sick-leave and three out of the 13 accidents which did not necessitate sick-leave were due to traffic accidents to employees proceeding from their residence to the place of work or vice versa.

- (xi) Arrangements were made to provide the staff the earliest possible and in any case during the forthcoming year 1973 with the necessary personal protective devices and protective clothing.
- (xii) All accidents reported during the year were promptly investigated.

In spite of the above, it was not possible to avoid the incidence of accidents altogether, but generally it is expected that the considerable efforts made towards this end will give effect to the Authority's desire to reduce the accidents to the minimum possible.

(b) *Welfare*

- (i) The joint management/staff Welfare Fund continued its efforts during the year towards the organisation of projects of interest to all employees.

As stated in previous reports a suitable campsite by the sea was secured on leased basis at Kyrenia and the plans and rules and regulations regarding the organization and functioning of restcamps for the employees and their families were finalised.

Efforts were made to secure the necessary money for the financing of the whole project and it is hoped that the 1/4th of the employees 13th salary for the previous year, which is kept by the Authority and was agreed to be disposed for the employees general welfare, will be allocated to the Fund and work will commence within the next year.

- (ii) For the purpose of organising another rest-camp on the mountains, the Welfare Fund bought a suitable camp-site near Pedhoulas village at the reasonable price of £3,000.-
- (iii) The Authority's Offices and other places of work were inspected for welfare purposes and improvements were effected where necessary.
- (iv) The accommodation and facilities of canteens and rest-rooms at the Authority's various places of work were considered and arrangements were made for the provision of all necessary furniture and other equipment.
- (v) Christmas Parties and Children's Parties were organised for all employees and their children respectively in all Offices and Branches of the Authority. All expenses incurred were paid by the Authority.
- (vi) The Welfare Fund rendered financial assistance to a number of deserving cases amongst the staff as well as to families and orphans of recently deceased employees.
- (vii) Sport activities were encouraged by the Welfare Fund Committee and by the end of the year two CYTA employees football teams, one in Nicosia and the other in Famagusta, were taking part in Amateur Football tournaments.

V. MEDICAL FUNDS — MEDICAL TREATMENT — SICK LEAVE

a. Monthly Paid Personnel

All monthly paid employees of the Authority are members of the existing CYTA Medical Fund, which provides medical aid

to members at approved rates, in accordance with the rules of the Fund.

The administration of the Fund is carried out by a Committee and it is financed jointly by its members and the Authority, the employees contributing 1% of their basic salary and the Authority 2%.

During the year 1972 the sum of £29,997.530 was paid out of the fund in benefits and the Fund's cash position as at 31st December was £8,700.518.

b. Weekly Paid Personnel

All the regular Weekly Paid employees are members of the Government Social Security Scheme and enjoy sick leave and medical treatment in accordance with the rules of the scheme.

The membership to the Fund provides a contribution of 1% of the wages of each member and equal amount of contribution by the Authority.

c. Sick leave granted to the Monthly Paid employees.

The sick leave granted to the Monthly Paid employees is a cost to the Authority and the man-days lost are as hereunder:-

	No. of man-days lost	
	1971	1972
Clerical staff	2,804	2,677
Telephone Operating Staff	2,624	2,581
Telegraph Operating staff	361	461
Technical Operating staff	219	345
Technical staff	1,678	1,220
Skilled staff	1,764	3,335*
Messengers and Watchmen	1,091	1,037
	<u>10,541</u>	<u>11,656</u>

...Note: The increase of the number of man-days lost is to a great extent due to the increase of the number of staff (173 employees were transferred from the Weekly Paid category to the Monthly Paid staff).

d. Sick leave granted to Weekly Paid employees

The man-days lost in respect of the sick leave granted to weekly paid employees during the year 1972 were 554 (1288 in 1971).

The cost of the man-days lost (except the first day of each period of sick leave granted to employees) are reimbursed to the Authority

by the Government Social Security Scheme and the total amount reimbursed was £453.-

VI. ANNUAL LEAVE — ALL STAFF

Table showing the leave entitlement:-

	No. of working days	
	1971	1972
Balance brought forward from previous year	9,999	13,548
Leave entitlement for the year	39,356	39,541
	<hr/> 49,355	<hr/> 53,089
Leave granted during the year	35,807	44,425
Balance due to employees	<hr/> 13,548	<hr/> 8,664

VII. TRAINING

The Authority, appreciating the value of training, continued the implementation of the Training Programme already approved, in order to enable the staff to acquire the skills necessary to cope with the Authority's activities.

The Authority's expenses for training during 1972, amounted to £59,358.- (£63,484.- were spent in 1971) and included the following:-

(i) Training in CY.T.A.'s Training Centre

a) Cable Jointing Course	15	employees
b) Faultsmen Course	18	"
c) Fitters Course	13	"
d) Special preliminary course for Technicians	41	"
e) Auto Maintenance Course	8	"
f) Rural Exchange Course	21	"
g) Course on Telex Units (RFT Type)	7	"
h) Course on Surveying and Preparation of Works Proposals	2	"
i) Courses on Crossbar PABXs	42	"

(ii) Training Abroad

a) Course in Greece (OTE) on Sagem Teleprinters	1	employee
b) Course in U.K. for Instrument Landing System	4	employees

(iii) Scholarships

- a) Six members of the Authority's technical staff awarded a 4-year scholarship by the Authority for acquiring the B.Sc. degree in Electrical Engineering continued satisfactorily their studies during 1972 in U.K..

- b) One additional employee of the Authority was awarded a 4-year scholarship by the Authority for acquiring the B.Sc. degree in Electrical Engineering (with special subjects on Telecommunications) and proceeded to U.K..
- c) The three employees of the Authority who were awarded a 2-year scholarship at the High Telecommunications School OTE Athens, completed their studies and returned to their work.
- d) Two members of the Authority's staff awarded a 2-year scholarship at the High Telecommunications School of OTE in Athens, continued satisfactorily their studies during 1972.
- e) One Engineer of the Authority was awarded a six-months scholarship on Telecommunications subjects by the French Government.
- f) 49 employees of the Authority attended Night classes at the Nicosia Technical Institute for the year 1972/73.

(iv) Payment of Tuition and Examination Fees

All employees who had attended courses relative to their work and passed the prescribed examinations were refunded their tuition and examination fees.

6. COMMONWEALTH TELECOMMUNICATIONS COUNCIL

Mr N.S. Roussos, who succeeded Mr. J. Cl. Christophides as Chairman of the Authority, was appointed Representative of the Government of Cyprus to the Commonwealth Telecommunications Council with effect from 22nd June 1972, in succession to Mr. J. Cl. Christophides.

Mr N.S. Roussos attended the Annual (Ninth) Council Meeting, held in London from 27 June to 14 July 1972. Representatives of 22 Commonwealth Countries and the British Overseas Territories attended this Meeting which was presided over by Mr. G. A. Richards, TC, QC,—the Representative for Trinidad & Tobago—Chairman of the Council. Mr. J-C Delorme, the Canadian Representative and Mr. J. Hodgson, the British Representative, were elected as Vice-Chairmen.

At this Meeting Council discussed the essential features of a new Unified Accounting Scheme covering all the external Telecommunications services whether operated by Satellite, Cable or Radio. Plans for the further development of the Commonwealth's Telecommunications Network were also discussed, together with improvements in its operation, maintenance and utilisation.

Mr. N. S. Roussos attended also the Tenth Council Meeting, held in Montreal on 6-10 November 1972, in Ottawa on 17 and 23 November 1972, as well as the C.T. Conference held in Ottawa from 13-24 November 1972 as representative of the Government of Cyprus.

At the 10th Council Meeting, in Montreal, attended by all (23) Partner Commonwealth Countries and the British Overseas Territories proposals for amendments to the Constitution of the Commonwealth Telecommunications Organization were discussed inter alia and recommended for consideration by the Conference, which was to be held, as aforesaid, in Ottawa on 13th to 14th November 1972. Draft Definitions and Procedures for the implementation of the New Unified Accounting Scheme to take effect as from 1st April 1973 were also discussed and agreed in principle.

The essential feature of the new financial arrangements is that the cost of each facility, which forms part of the Commonwealth Telecommunications World System, is recovered by allocating such costs to the members of the C.T. Organization in proportion to their respective use of the facilities. This basic principle is a fundamental departure from the previous arrangements which called for the sharing of costs among Partners in the same proportion as existed between their respective revenues and the overall revenues of the partnership.

The Conference, after long discussion agreed to recommend to the Commonwealth Governments (Partners to the Council) acceptance of the new

financial arrangements for implementation as from April 1, 1973. As a part of such arrangements a transitional scheme was also agreed upon, which would help to offset any unfavourable financial impact that the new financial scheme might, otherwise, have had on some Partners in the first years of its application.

In the light of the views expressed at the Conference, the Council of the C.T. Organization will study a number of adjustments with a view to improving the operation of the Commonwealth Telecommunication network.

The Conference also discussed the amendments to the Organization's Constitution, which were proposed by the C.T. Council, so as to reflect changing conditions in the light of experiences gained since the last Conference, held in London in 1966 and agreed to recommend to the Commonwealth Governments the acceptance thereof.

The Chairman's Adviser on Commonwealth Telecommunications matters, i.e. the Telecommunications Officer Mr. Evanthis Charalambous, in addition to his accompanying the Chairman at the Ninth and Tenth Council Meetings as well as at the Conference, attended a Meeting of experts held in London at the Offices of the Commonwealth Telecommunications Bureau from 15 to 17 March 1972, on the subject of Rates of Depreciation for consideration by the C.T. Council for implementation (a) upto 31 March 1973 and (b) from 1 April 1973 under the New Unified Accounting Scheme arrangements.

N.B. Commonwealth Telecommunications Conferences are held every few years to discuss telecommunications needs of the Commonwealth, while C.T. Council Meetings take place at least once a year and in many cases twice a year.

7. FINANCIAL REPORT

GENERAL

The operating revenue of the Authority for 1972, at £3,551,000 was up by 31 % over that of 1971 (£2,710,000) whilst the expenses rose by 16.8 % at £2,908,000 (1971 £2,490,000).

The main contribution to the revenues came from the trunk calls traffic as 1972 was the first full year of the automatic service. The rise in expenditure was, as in every year, mainly due to the staff costs increases, besides the rise in the cost of materials and, specifically for the year under review, to the 12 % salary revision, to the additional cost of living allowances and to the full 13th Salary (1971 3/4 salary).

Despite increased costs the net surplus has improved from £219,984 in 1971 to £665,182 in 1972. Even more significant, the net surplus, reaching as a ratio of turnover, the figure of 18.7 %, showed a marked recovery in comparison with the 1971 ratio figure of 8.1 %.

Although the net surplus presents an appreciable improvement over that of 1971, yet it is not adequate, even together with the depreciation funds, to meet the existing commitments and the increasing costs and development requirements, taking mainly, into account that the marked improvement of the surplus of 1972 over that of 1971 may not be repeated, and as it can be forecasted it will not be repeated, for the mere fact that the year 1972 was the first full year of the operation of the automatic service.

As the total borrowings of the Authority place a heavy burden on its finances in the form of debt servicing and makes the financing of the future development difficult, the bulk of such development should be met by self-financing. Therefore tariffs will have to be high enough to produce the necessary funds.

If on the other hand the volume of investment has to be restricted to keep tariffs at low levels this will definitely hamper network development.

In order to augment the Authority's revenue it has, in recent years, become inevitable that the rates, which remained unaltered since 1956, required revision and a decision taken in this respect in December 1971, was to be partially implemented as from 1st January 1973.

The level of the originally proposed rates increases was substantially modified with the understanding that, if the traffic's upward trend is not such, taking as a basis the first half of 1973 year results, so as to prove in projection adequate to cover the 5 year plans deficits, the Authority will consider a further rates revision within the framework of the original proposals.

DEVELOPMENT

The 1972 development expenditure was restricted to £1,812,000 although budgeted, in the 5 year plan, at £2,430,000 because of projects postponement due to lack of funds.

The year under review was the first year of the Authority's third five year plan 1972-1976 during which some £10,400,000 was expected to be spent.

Among the main features of the 5year plan are the Automatic International Telephone and Telex Exchanges and the submarine Cable-Links connecting Cyprus with Greece, Syria and Lebanon.

The Automatic Telex Exchange with 1000 lines, is planned to be put in service in about October 1974 and the Automatic International Telephone Exchange by the end of 1974 or early in 1975.

CASH POSITION

During the year under review due to increased costs and commitments the cash position deteriorated further with the result that the Bank overdraft stood at £648,205 on the 31st December, 1972 (1971 £281,484). It is expected that the situation will improve in the coming year especially from the rates revisions and increased operations.

THE ACCOUNTS

A comparison of Revenue/Expenses 1971-1972 shows:-

Revenue

	1971	1972
Telephone Services	£1,889,774	£2,654,941
Telegraph Services	409,713	412,682
Telex Services	234,336	302,594
Other Services	176,380	180,803
	<u>£2,710,203</u>	<u>£3,551,020</u>

Expenses

	1971	1972
System Operational	£1,725,251	£2,018,590
Establishment	97,804	93,611
Administrative	376,876	399,902
	<u>£2,199,931</u>	<u>£2,512,103</u>
Operating Expenses		
Financial & Other Expenses	290,353	396,253
	<u>£2,490,284</u>	<u>£2,908,356</u>

REVENUE ACCOUNT

	1972
Income for the year from Operations amounted to	£3,551,020
Which after deduction of Operating Expenses	2,512,103
resulted in an Operating balance of	<u>£1,038,917</u>
To the Operating Revenue of	£3,551,020
there was added other income of	22,518
which made a total of	<u>£3,573,538</u>
Less :	
Operating Expenses	£2,512,103
Financial & Other Expenses	396,253
made a total to be deducted of	<u>£2,908,356</u>
resulting in a Revenue Balance for the year of	<u>£ 665,182</u>

APPROPRIATIONS

The Revenue balance of £665,182 has been increased by £36,824 in respect of revenue relating to prior years and the resultant balance has been appropriated as follows:-

Revenue balance for year	£665,182	
Add : Net Revenue relating to prior years	36,824	£ 702,006
Less : Provision for Staff Superannuation		
Back Service credits		30,000
		<u>£ 672,006</u>

The said amount of £672,006 has been added to the Revenue Balance of £1,599,785 as at 31.12.1971 thus making a total of £2,271,791 Revenue Balance as at 31st December, 1972.

BALANCE SHEET

Fixed Assets

As at 1st January, 1972 the net book value of the fixed assets was £6,469,999.

Sundry capital works executed during 1972 together with other capital expenditure increased the Fixed Assets as follows:-

Gross book value as at 1st January, 1972	£9,421,670
Plus : Capital Development during year:-	
i) Telecommunications Installations	£1,635,822
ii) Other Expenditure	175,878
	<u>£1,811,700</u>

Less : Installation and Removal			
Charges Recovered	£119,025		
Disposals during year	174,682	293,707	1,517,993
			<hr/>
Accumulated depreciation 31st December, 1972			10,939,663
			3,299,492
			<hr/>
Resulted in a Net Book value as at 31st December, 1972 of			£7,640,171
			<hr/>

Investments

This represents the investments made by the Authority with the Central Bank of Cyprus for the redemption of the 1980/82 and 1981/83 Debentures according to the terms of the issue.

Current Assets

The increase in debtors is due to the additional subscribers and a substantial debt, for services rendered to Government, which has been agreed to be settled over five years.

The stocks at 1,185,228 mainly include capital equipment scheduled for installation in 1973.

Creditors

The increase in creditors and long term liabilities by £963,183 is due to the additional credit facilities for equipment and the increase to the bank overdraft.

Interest on Borrowings

The interest accrued on capital borrowings of £88,022 is the interest due at 31st December, 1972 payable on due dates in 1973 under the terms of the Loan agreements and the Debenture Stock.

Capital Borrowings

The Loans structure at the end of the year, after repayment of certain instalments, was:-

	1971	1972
Government Loan 1973/87	£2,988,000	£2,988,000
Loan Commissioners	331,452	309,477
	<hr/>	<hr/>
Telecommunications Stock	£3,319,452	£3,297,477
	1,250,000	1,250,000
	<hr/>	<hr/>
Total Borrowings	£4,569,452	£4,547,477
	<hr/>	<hr/>

Contractual Commitments

The amount of £546,000 shown in the Notes on the Accounts represents mainly the cost of capital equipment on order for delivery in 1973/74.

N. ROUSSOS

Chairman

A. N. STYLIANIDES

General Manager

S. A. KOKKINIDES

Secretary

CYPRUS TELECOMMUNICATIONS AUTHORITY
FINANCING OF THE YEAR'S CAPITAL REQUIREMENTS

1963-1972

(£ thousand)

	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972
CAPITAL REQUIREMENTS										
Expenditure during year on Fixed Assets	405.1	246	381.1	371.3	881.1	806.1	688	1,536.3	1,456.3	1,811.7
Less: Residual Value of assets disposed	3	24.2	3.6	8.6	13.5	81.6	85	11.5	38.4	89.4
	402.1	221.8	377.5	362.7	867.6	724.5	603	1,524.8	1,417.9	1,722.3
	—	—	3.2	3.3	3.4	4.6	12.1	119.7	320.8	62.6
Loan repayment and debenture investments										
	402.1	221.8	380.7	366	871	729.1	615.1	1,644.5	1,738.7	1,784.9
	—140.6	224	—98.7	155	—189.5	805.9	—202.7	466.9	—539.8	—290.4
Other net assets										
	261.5	445.8	282	521	681.5	1,535	412.4	2,111.4	1,198.9	1,494.5
Total Requirements										
FINANCED FROM										
<i>Internal resources:-</i>										
Depreciation	166.2	170.1	186.9	191.3	213.9	247.8	272.5	299.1	382.8	433.1
Balance of Revenue for year	2.1	215.6	172.2	184.1	163.4	62.3	141.8	209.1	220.0	665.2
Prior period recoveries/Expenses	—2.1	29.7	—31.9	—15.9	19.3	168.5	28.2	—19.7	—29.1	6.8
Installation Fees Recovered	27.9	31.4	26.6	25.3	34	35.5	44.9	89.5	66.0	119.0
	194.1	446.8	353.8	384.8	430.6	514.1	487.4	578	639.7	1,224.1
	11.6	—	—	—	—	—	—	—	—	—
<i>Capital Reserves</i>										
<i>External Borrowings:-</i>										
Government Loan	—	50	—	—	—	149.7	—	300	—	—
Debentures	—	—	—	—	—	—	—	600	650.0	—
Capitalised Interest (Consolidated into Loans)	55.8	—	—	—	—	851.6	5.5	—	—	—
Increase/Decrease in long-term creditors		—51	—71.8	136.2	250.9	19.6	—80.5	633.4	—90.8	270.4
Total Finance	261.5	445.8	282	521	681.5	1,535	412.4	2,111.4	1,198.9	1,494.5

NOTE: The Capitalised Interest is in respect of interest arrears on Government Loans from 1961 to 1969.

CYPRUS TELECOMMUNICATIONS AUTHORITY

RETURN ON CAPITAL

1963-1972

(£ thousand)

	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972
NET ASSETS										
Fixed Assets less depreciation	2,688.1	2,708.4	2,872.4	3,018.5	3,638.2	4,079.4	4,364.7	5,500.9	6,470	7,640.2
Stores in Stock	380.1	414.4	380.2	744.9	786.3	781.5	666.5	862.2	996.3	1,185.2
Other net assets	-425.7	-185	-177.7	-523.6	-1,005.5	-214.4	-221.4	-583.6	-1,166.8	-1,875.8
Net total Assets	2,642.5	2,937.8	3,074.9	3,239.8	3,419	4,646.5	4,809.8	5,779.5	6,299.5	6,949.6
RETURN										
Revenue surplus (including prior period Revenue/Expenses):-										
i) Before interest on borrowings	141.2	395.7	300.5	336.9	360.2	331	272	301.6	366.6	859.0
ii) After interest on borrowings	—	245.3	140.3	168.2	182.7	230.8	170	189.4	190.9	672.0
<i>Return as % on the net total assets</i>										
i) Before interest on borrowings	5.3	13.5	9.8	10.4	10.5	7.1	5.7	5.2	5.8	12.4
ii) After interest on borrowings	—	8.3	4.6	5.2	5.3	5	3.5	3.3	3.0	9.7

CYPRUS TELECOMMUNICATIONS AUTHORITY

TABLE SHOWING EXPENDITURE 1968-1972

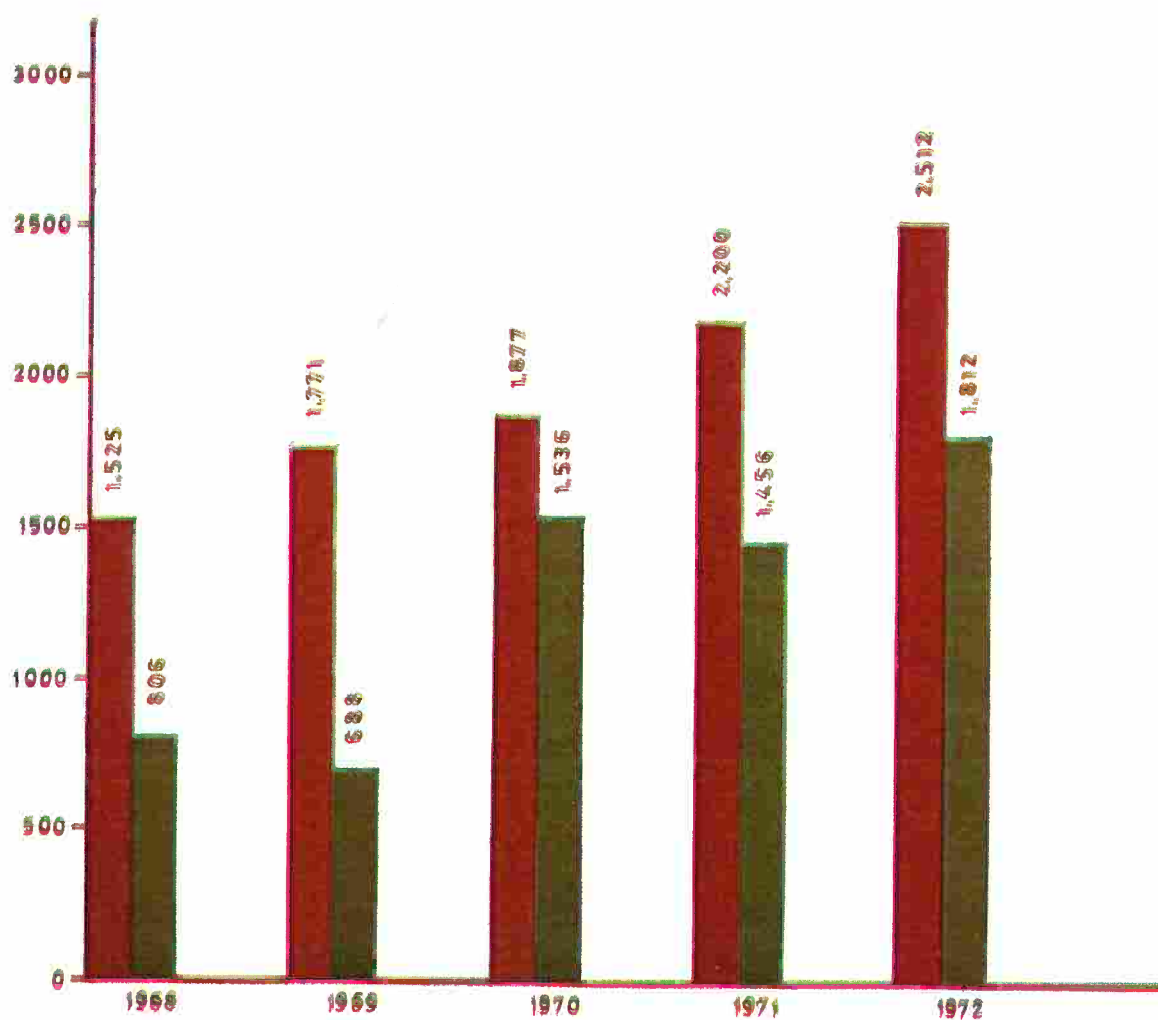
I OPERATING EXPENDITURE

II CAPITAL EXPENDITURE

(£ thousand)

	I	II
1963	869	405
1964	828	246
1965	948	381
1966	992	371
1967	1234	881

OPERATING EXPENDITURE
CAPITAL EXPENDITURE



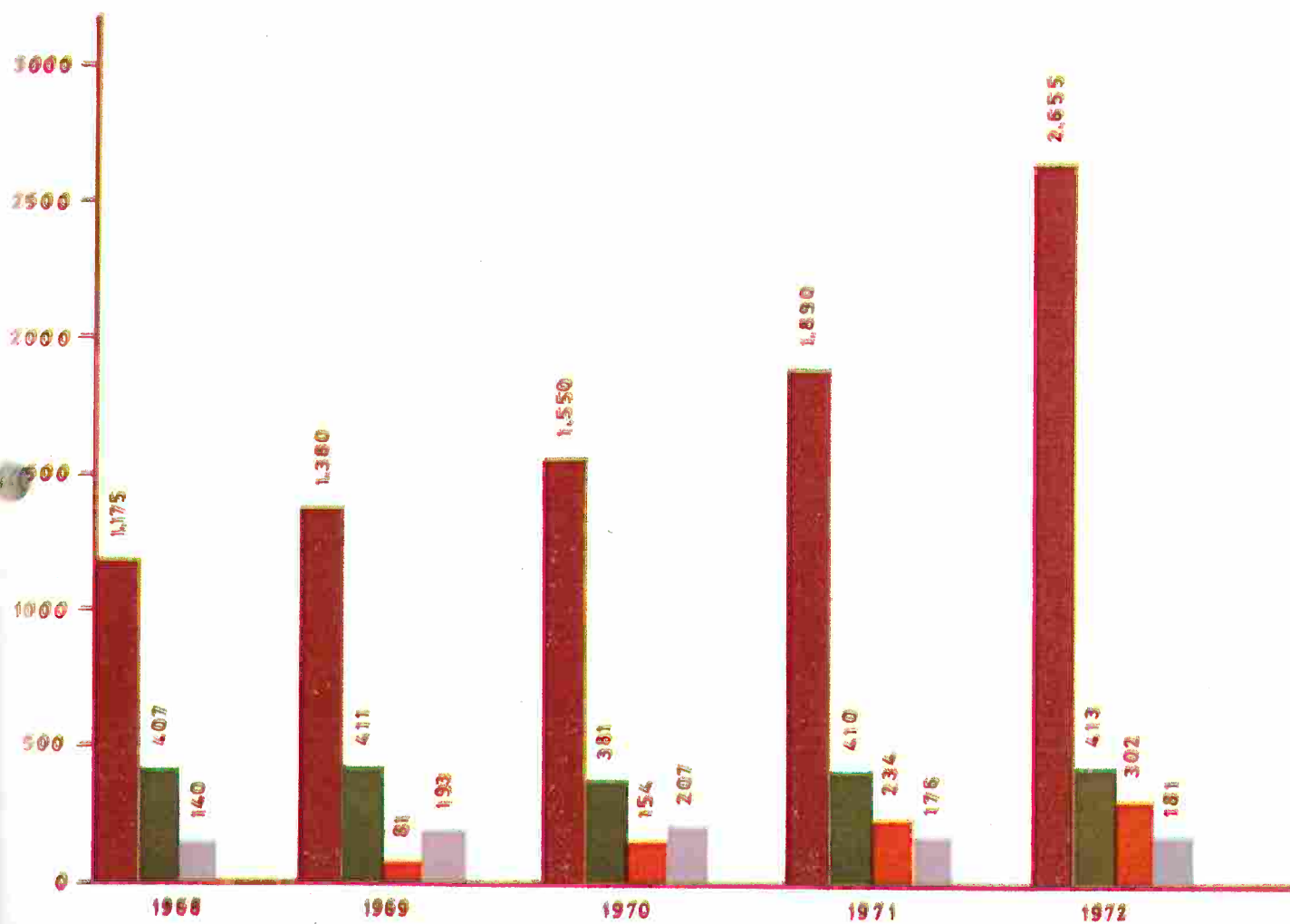
CYPRUS TELECOMMUNICATIONS AUTHORITY

TABLE SHOWING OPERATING REVENUE 1968-1972

I TELEPHONE REVENUE
 II TELEGRAPH REVENUE
 III TELEX REVENUE
 IV OTHER REVENUE
 (£ thousand)

	I	II	IV
1963	826	196	
1964	865	365	
1965	946	279	67
1966	1026	268	66
1967	1130	384	71

TELEPHONE REVENUE
 TELEGRAPH REVENUE
 TELEX REVENUE
 OTHER REVENUE



ACCOUNTS

CYPRUS TELECOMMUNICATIONS AUTHORITY

AUDITORS' REPORT

We have audited the annexed Balance Sheet and Revenue Account and have obtained all the information and explanations we considered necessary. In our opinion proper books of account have been kept and the Balance Sheet is in agreement therewith.

In our opinion the said Accounts, together with the Notes thereon, give, respectively, a true and fair view of the state of affairs of the Authority as at 31st December, 1972 and of the balance of revenue for the year ended on that date.

SCOTTIS & POLYDORIDES
Chartered Accountants

"Pantheon" Building,
40, Evagoras Avenue,
NICOSIA.

4th July, 1973.

CYPRUS TELECOMMUNICATIONS AUTHORITY

NOTES ON THE ACCOUNTS

FOR THE YEAR ENDED 31st DECEMBER, 1972.

1. INVESTMENTS

Under the terms of issue of the 7 1/2% Guaranteed Debenture Stock 1980/82 and 1981/83 the Authority is required to set aside to a Sinking Fund amounts in order to provide for the redemption thereof. The management of the said Sinking Fund is vested in the Central Bank of Cyprus. In the opinion of the Authority the value of the investments of the Fund is not less to the amount at which they are stated in the Balance Sheet.

2. STORES

The stores, which include plant and equipment for current development, have been physically verified by continuous stock takings carried out throughout the year; they are valued at cost less provision for obsolescence.

3. DEBTORS

Included in this figure is £320,000 in respect of a debt due from the Government of the Republic. Arrangements are being made, between the Government and the Authority, for the payment of the said amount in 6 equal yearly instalments with interest at a rate equal to the rate of interest born by the Authority on its bank overdraft.

4. DEFERRED CHARGES

This amount is made up as follows:-

	£
Interest attributable to subsequent years	194,738
Expenses and write offs of obsolete stores and equipment chargeable against revenues of subsequent years	84,045
Other deferred charges	43,925
	<hr/>
	£322,708
	<hr/>
(1971 —	£219,256)

5. DEFERRED LIABILITIES AND OTHER CREDITS

This amount is made up as follows:-

	£
Rentals and instalation fees relating to subsequent years	82,199
Deposits for recoverable works	52,865
Provision for staff superannuation back service credits and other staff benefits (Note 6)	293,300
Net gain on conversion of foreign currency balances (Note 8)	33,108
	<hr/>
	£461,472
	<hr/>
(1971 —	£301,356

6. STAFF BENEFITS

There is a liability towards funding of staff superannuation back service credits against which the Authority provides annually out of its revenues £30,000. The aggregate amount of this provision as at 31st December, 1972 was £240,000 (1971 — £210,000). In addition to the aforesaid, the Authority has assumed liability in respect of certain other staff benefits against which an amount of £53,300 (1971 — £31,500) was provided for in 1972 and in prior years. These amounts do not purport to cover the full amount which would be required as the extent of these liabilities cannot at present be determined until an actuarial valuation of the said liabilities shall have been made and the staff trade unions concerned shall have agreed thereto. The payment of these liabilities is being deferred until the amounts involved are finally ascertained.

7. TAXATION

No amount has been set aside to provide for income tax on the net revenue of the year or in respect of the net revenue of prior years, as the position of the Authority's liability to income tax, in general, has not yet been determined.

8. BALANCES AND TRANSACTIONS IN FOREIGN CURRENCY

Foreign currency balances have been converted into Cyprus pounds at the rates of exchange ruling at 31st December, 1972. The gains and losses arising on such conversions netted off £33,108 a net gain, which is being carried forward and is reflected in the Deferred Credits.

It is the practice of the Authority to credit or write off to the Revenue Account gains or losses due to exchange rate fluctuations only in so far as these are realised. Significant gains or losses attributable to liabilities outstanding at Balance Sheet date in respect of fixed assets purchased from overseas suppliers during the year are dealt with by the adjustment, in that year, of the cost of the relevant asset account.

9. CONTRACTUAL COMMITMENTS

Contractual commitments not provided for in these Accounts amounted to approximately £546,000 as at 31st December, 1972 (1971 — £1,500,000).

10. CONTINGENT LIABILITIES

Contingent liabilities in respect of claims against the Authority amounted to approximately £2,350 as at 31st December, 1972 (1971 — £9,500).

CYPRUS TELECOMMUNICATIONS AUTHORITY

BALANCE SHEET

AS AT 31st DECEMBER, 1972

	1972	1971
	£	£
FIXED ASSETS (STATEMENT 4)	7,640,171	6,469,999
INVESTMENTS at cost (Note 1)	40,654	—
NET CURRENT ASSETS (STATEMENT 5)		
Current Assets	£2,315,086	2,016,150
Deduct		
Current Liabilities	1,722,739	1,190,049
	592,347	826,101
DEFERRED CHARGES (Note 4)	322,708	219,256
	8,595,880	7,515,356
Deduct		
DEFERRED LIABILITIES		
AND OTHER CREDITS (Note 5)	£461,472	301,356
LONG TERM LIABILITIES	1,184,836	914,459
	1,646,308	1,215,815
NET ASSETS	£6,949,572	£6,299,541
FINANCED BY		
CAPITAL BORROWINGS (STATEMENT 6)	4,547,477	4,569,452
RESERVES (STATEMENT 7)	2,402,095	1,730,089
	£6,949,572	£6,299,541

N. S. ROUSSOS
Chairman

A. N. STYLIANIDES
General Manager

M. E. CHRISTOFIDES
Chief Accountant

CYPRUS TELECOMMUNICATIONS AUTHORITY

REVENUE ACCOUNT

FOR THE YEAR ENDED 31st DECEMBER, 1972

	1972		1971
	£	£	£
Operating Revenue (STATEMENTS 1)		3,551,020	2,710,203
Deduct			
Operating Expenses (STATEMENT 2)		2,512,103	2,199,931
NET OPERATING REVENUE		1,038,917	510,272
Add			
Investment Income	£654		—
Other Income	21,864		65
		22,518	65
		1,061,435	510,337
Deduct			
Financial and Other Expenses (STATEMENTS 3)		396,253	290,353
REVENUE BALANCE FOR YEAR		665,182	219,984
Add			
Revenue Balance 1st January, 1972	£1,599,785		1,408,928
Net revenue relating to prior years	36,824		873
Deduct			
Provision for staff superannuation back service credits (Note 6)	1,636,609		1,409,801
	30,000		30,000
		1,606,609	1,379,801
REVENUE BALANCE 31st December, 1972		<u>£2,271,791</u>	<u>£1,599,785</u>

STATEMENT 1

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 1972

OPERATING REVENUE

	£	£	1971 £
Telephone services			
Rentals	614,832		564,450
Inland dial calls	1,333,323		639,158
Inland manual calls	70,041		299,453
Overseas calls	491,501		363,593
Leased circuits	116,743		856
Miscellaneous	28,501		22,264
		2,654,941	1,889,774
Telegraph Services			
Telegrams	320,969		323,689
Leased circuits	63,577		59,927
Teleprinter rentals	15,714		15,144
Miscellaneous	12,422		10,953
		412,682	409,713
Telex Service			
Rentals	59,074		37,347
Local calls	10,835		10,718
Overseas calls	232,685		186,271
		302,594	234,336
Other Services		180,803	176,380
As per Revenue Account		£3,551,020	£2,710,203

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 1972

OPERATING EXPENSES

	£	£	1971 £
System Operational			
Telephone Services			
Operators' salaries etc.	277,003		244,399
Maintenance salaries etc.	318,872		264,427
Other salaries etc.	394,903		313,417
Materials	17,505		18,400
Electricity	17,881		15,236
Transport	24,289		23,251
Depreciation	305,267		270,255
Radio and repeater stations expenses	65,211		75,452
Miscellaneous	16,987		17,459
		1,437,918	1,242,296
Telegraph Services			
Operators' salaries etc.	218,660		181,930
Maintenance salaries etc.	16,979		18,800
Other salaries etc.	32,981		21,140
Materials	1,141		398
Electricity	1,073		1,114
Transport	47		9
Depreciation	21,421		21,289
Radio and repeater stations expenses	45,771		43,004
Miscellaneous	4,218		6,506
		342,291	294,190
Telex Services			
Operators' salaries etc.	12,151		9,562
Maintenance salaries etc.	10,427		6,760
Other salaries etc.	10,131		2,729
Materials	548		432
Electricity	715		550
Transport	104		65
Depreciation	19,942		11,659
Radio and repeater stations expenses	92,837		70,190
Miscellaneous	101		580
		146,956	102,527
Other Services			
Operators' salaries etc.	29,073		24,338
Maintenance salaries etc.	14,735		11,238
Other salaries etc.	9,721		11,938
Materials	2,290		2,819
Transport	359		309
Depreciation	9,985		9,555
Radio and repeater stations expenses	21,528		20,539
Miscellaneous	3,734		5,502
		91,425	86,238
Transferred to Summary		£2,018,590	£1,725,251

Establishment

	£	£
Salaries etc.	39,487	37,546
Maintenance of buildings	7,048	13,588
Maintenance of F.F. & O.E.	4,036	5,549
Transport	500	392
Rents, Rates and Taxes	13,640	13,758
Light, Heat and Water	9,565	9,814
Insurances	5,729	5,102
Depreciation	11,892	10,419
Miscellaneous	1,714	1,636
Transferred to Summary	£93,611	£97,804

Administration

	£	£
Administration and accounts salaries etc.	272,622	225,672
Printing and Stationery	20,023	18,365
Telephones, Telegrams and Postages	32,626	22,683
Travelling and Transport	9,485	11,239
Office Machinery Rental	22,843	11,454
Training Expenses	11,929	32,993
Newspapers and Periodicals	641	923
Advertisements	8,204	16,293
Miscellaneous	21,529	37,254
Transferred to Summary	£399,902	£376,876

SUMMARY**OPERATING EXPENSES**

	£	£
System Operational	2,018,590	1,725,251
Establishment	93,611	97,804
Administration	399,902	376,876
As per Revenue Account	£2,512,103	£2,199,931

STATEMENT 3

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 1972

FINANCIAL AND OTHER EXPENSES

	1972	1971
	£	£
Financial		
Interest on capital borrowings	186,966	175,759
Interest to suppliers	102,108	70,563
Bank Interest	28,137	1,598
Provision for bad and doubtful debts	16,351	7,707
Scrap and obsolete stores and equipment	50,620	24,229
Miscellaneous	4,749	4,578
	<u>388,931</u>	<u>284,434</u>
Other		
Authority's Members emoluments and expenses	2,663	2,525
Commonwealth Telecommunications Council Expenses	4,659	3,394
	<u>7,322</u>	<u>5,919</u>
As per Revenue Account	<u>£396,253</u>	<u>£290,353</u>

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 1972

FIXED ASSETS

	Cost or Valuation as at 1.1.72	Additions at cost less Disposals	Cost or Valuation as at 31.12.72	Aggregate Depreciation	Written Down Value 31.12.72	31.12.71
	£	£	£	£	£	£
Land and Buildings	771,007	138,287	909,294	108,615	800,679	675,406
Exchanges, Telegraph and Line Plant and Apparatus	6,787,850	958,148	7,745,998	2,602,651	5,143,347	4,442,133
Radio Stations	869,374	87,627	957,001	320,653	636,348	590,531
Sub-Marine Cables	—	26,154	26,154	—	26,154	—
Motor Vehicles, Tools and Equipment	215,828	17,989	233,817	182,228	51,589	63,573
Office Furniture and Equipment	142,557	10,193	152,750	85,345	67,405	63,302
	8,786,616	1,238,398	10,025,014	3,299,492	6,725,522	5,834,945
Assets under construction	556,946	357,703	914,649	—	914,649	556,946
Payments on account of Equipment	78,108	(78,108)	—	—	—	78,108
As per Balance Sheet	£9,421,670	£1,517,993	£10,939,663	£3,299,492	£7,640,171	£6,469,999

NOTES:- 1. The depreciation of Fixed Assets for the year ended 31st December, 1972, amounted to £433,114 (1971 — £382,757). No depreciation was provided for in respect of Sub-Marine Cables as these came into use during the last part of December, 1972.

2. Certain Lands were in course of registration in the name of the Authority as at 31st December, 1972.

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 1972

NET CURRENT ASSETS

	1972		1971
	£	£	£
Current Assets			
Stores (Note 2)	1,185,228		996,312
Debtors, less provisions (Note 3)	1,125,856		1,006,872
Bank balances and cash in hand	4,002		12,966
		2,315,086	2,016,150
Deduct:-			
Current liabilities			
Creditors	986,512		820,182
Bank overdraft	648,205		281,484
Interest accrued on capital borrowings	88,022		88,383
		1,722,739	1,190,049
As per Balance Sheet		£592,347	£826,101

STATEMENT 6

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 1972

CAPITAL BORROWINGS

	1972		1971
	£	£	£
5% Government Loan 1965/76	20,004		24,424
5 $\frac{3}{4}$ % Government Loan 1969/83	153,240		163,046
5 $\frac{3}{4}$ % Government Loan 1970/84	136,233		143,982
2 $\frac{1}{2}$ % Government Loan 1973/87	2,988,000*		2,988,000
		3,297,477	3,319,452
7 $\frac{1}{2}$ % Guaranteed Debenture Stock 1980/82	600,000		600,000
7 $\frac{1}{2}$ % Guaranteed Debenture Stock 1981/83	650,000		650,000
		1,250,000	1,250,000
As per Balance Sheet		£4,547,477	£4,569,452

***NOTE:-** Under the terms of the loan agreement of the 2 $\frac{1}{2}$ % Government Loan 1973/87 the interest rate will be increased to 5% per annum after the expiration of seven years from 9th February, 1968.

STATEMENT 7

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER 1972

RESERVES

	1972	1971
	£	£
Capital reserve	64,304	64,304
General reserve	66,000	66,000
Revenue Account — Balance	2,271,791	1,599,785
	<hr/>	<hr/>
As per Balance Sheet	£2,402,095	£1,730,089
	<hr/>	<hr/>

APPENDIX 1

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 1972

RADIO AND REPEATER STATIONS EXPENSES

	1972	1971
	£	£
Operators' salaries etc.	51,873	40,882
Maintenance salaries etc.	30,408	33,116
Other salaries etc.	57,604	52,922
Materials	4,722	3,539
Electricity	17,667	19,553
Transport	2,390	2,283
Depreciation	56,006	50,256
Miscellaneous	4,677	6,634
	<hr/>	<hr/>
Total allocated to system operational	£225,347	£209,185
	<hr/>	<hr/>
Allocated to:-		
Telephone services	65,211	75,452
Telegraph services	45,771	43,004
Telex services	92,837	70,190
Other services	21,528	20,539
	<hr/>	<hr/>
	£225,347	£209,185
	<hr/>	<hr/>

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 1972

MOTOR TRANSPORT EXPENSES

	1972		1971
	£	£	£
Drivers, Garage and other salaries		19,824	16,595
Licences		2,180	1,815
Insurances		2,445	2,419
Fuel		6,806	6,207
Spares and Accessories		581	2,137
Depreciation		8,601	9,324
Miscellaneous		7,483	6,935
		<u>£47,920</u>	<u>£45,432</u>
Allocated to:-			
Capital works		13,481	13,332
Recoverable works		1,165	1,133
Operating expenses:-			
System operational	24,799		23,634
Establishment	500		392
Administration	5,585		4,658
		<u>30,884</u>	<u>28,684</u>
Radio and repeater stations expenses		2,390	2,283
		<u>£47,920</u>	<u>£45,432</u>

CYPRUS TELECOMMUNICATIONS AUTHORITY

ACCOUNTS FOR THE YEAR ENDED 31ST DECEMBER, 1972

STAFF COSTS

	1972	1971
£	£	£
Salaries, wages, allowances etc.	2,012,114	1,746,162
Less: Amount charged to:-		
Capital	178,157	213,381
Recoverable works	16,503	15,370
	<u>194,660</u>	<u>228,751</u>
	<u>£1,817,454</u>	<u>£1,517,411</u>
Allocated to:-		
Operating expenses:-		
System operational	1,345,636	1,110,678
Establishment	39,487	37,546
Administration	272,622	225,672
	<u>1,657,745</u>	<u>1,373,896</u>
Radio and repeater stations	139,885	126,920
Motor Transport expenses	19,824	16,595
	<u>£1,817,454</u>	<u>£1,517,411</u>